

INSURANCE COUNSELOR

Insurance Consumer Information Sheet

"Cancer" Insurance

Most major medical insurance policies provide health insurance coverage for accident or sickness. In addition to major medical insurance policies there are also many types of limited medical insurance policies including *Aspecified disease@* policies. These policies provide narrow coverage and benefits are provided only for specified causes of sickness or injury, such as heart attack or stroke, and coverage is often in limited amounts. Another type of specified disease policy provides benefits if you get cancer and is sometimes referred to as *Acancer@* insurance. ***Special disease policies will not provide coverage for any disease or sickness that has already been diagnosed.***

The information in this booklet applies to cancer insurance, but could very well apply to other specified disease policies.

Cancer Insurance Is Not a Substitute For Comprehensive Coverage

Cancer treatment accounts for about 10% of United States health expenses. In fact, no single disease accounts for more than a small proportion of the American public's health care bill. This is why it is essential to have insurance coverage for all conditions, not just cancer.

If you and your family are not protected against catastrophic medical costs, you should first consider a major medical policy. These policies pay a large percentage of your covered costs after a deductible is paid either by you or your basic insurance. They often have very high maximums, such as \$100,000 to \$1,000,000. Major medical policies will cover you for any accident or sickness, including cancer. They cost more than cancer policies, but they are

generally considered a better buy because they offer more coverage.

Should You Buy Cancer Insurance?.... Many People Don't Need It

If you are considering cancer insurance, ask yourself these questions:

1. Is my current health insurance coverage adequate for these costs?
2. How much will the treatment cost if I do get cancer?
3. How likely am I to contract the disease? Is there a family history of the disease?

If you have Medicare and want more insurance, a comprehensive Medicare supplement policy is what you need.

Low-income people who are Medicaid recipients do not need any more insurance. If you think you might qualify, contact your county office of the Family Independence Agency to determine your eligibility.

Duplicate Coverage is Expensive and Unnecessary

Buy basic coverage first. Make sure any cancer policy will meet needs **not** met by your basic insurance. You cannot assume that double coverage will result in double benefits even though many cancer policies advertise that they will pay benefits no matter what your other insurance pays.

Some Cancer Expenses May Not Be Covered Even By a Cancer Policy

Medical costs of cancer treatment vary. On the average, hospitalization accounts for 78% of such costs and physician services make up 13%. The remainder goes for other professional services, such as drugs and nursing home care. Cancer patients often face large nonmedical expenses which may not be covered by cancer insurance. Examples are services such as home care, transportation, and rehabilitation costs.

Don't Be Misled By Your Emotions

While one in three Americans will get cancer over a lifetime, two in every three will not. In any one year, only one American in 250 will get cancer. The odds are against a policyholder ever receiving any benefits.

Caution: Limitations of Cancer Insurance

Cancer policies sold today vary widely in cost and coverage. Contact different companies and agents, and compare the policies before you buy. Here are some common limitations:

1. *Some policies pay only for hospital care.* Today cancer care treatment, including radiation, chemotherapy and some surgery, is often given on an outpatient basis. Because the average stay in the hospital for a cancer patient is only 13 days, a policy which pays only when you are hospitalized has limited value.
2. *Many policies promise to increase benefits after a patient has been in the hospital for 90 consecutive days.* However, 99% of all cancer patients spend less than 60 days in the hospital. Large dollar amounts for extended hospital stays have very little value for most patients.
3. *Many cancer insurance policies have fixed dollar limits.* For example, a policy might pay only up to \$1,500 for surgery costs or \$1,000 for radiation therapy, or it may have fixed payments such as \$50 or \$100 for

each day in the hospital. The actual cost of the services may be much higher. Other policies limit total benefits to a fixed amount such as \$5,000 or \$10,000.

4. *No policy will cover cancer diagnosed before you applied for the policy.* Some policies will deny coverage if you are later found to have had cancer at the time of purchase, even if you did not know it.
5. *Most cancer insurance does not cover cancer-related illnesses.* Cancer or its treatment may lead to other physical problems, such as infection, diabetes or pneumonia.
6. *Many policies contain time limits.* Some policies require waiting periods of 30 days or even several months before you are covered. Others stop paying benefits after a fixed period of two or three years.

Remember, before you consider cancer insurance, do the following:

- A. Find out what your coverages would be under your present health care policy if you should get cancer.
- B. If you do not presently have basic medical coverage, look into the coverages you might be able to contain.
- C. If you are on Medicare, consider a medicare supplement policy.
- D. If you are on Medicaid, you probably do not need any other health insurance.
- E. If you decide to consider cancer insurance, shop around for the best coverages and cost and make sure you understand;
 - (1) the "waiting period" before you are covered,
 - (2) what your benefits will be, and
 - (3) what the policy will **not** cover.